



CALPEEK

CALIFORNIA POLITICAL WEEK

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VOL. XXIII
No. 17

APRIL 23, 2001

ENERGY & POLITICS: GOV. DAVIS HAVING A TOUGH TIME SELLING LEGISLATORS ON BUYING THE GRID.

Editor's note: No one said there'd be a fast and easy solution to solve Calif.'s energy crisis. And with each passing week Gov. Gray Davis is finding it tougher and tougher to come up with a plan which will satisfy all of the parties, ranging from Calif. consumer groups and Demo Legislative leaders to Wall Street interests and the out-of-state power generators. Here's our update & analysis...

...It may be too soon to pronounce the Davis/SCE (So. Calif. Edison) multi-billion dollar deal DOA, but it sure seems as though key Demos in the Legislature are having second thoughts about doing this deal. And Davis should not count on any GOP support. In fact, Davis met with the Senate GOPers on 4/17 and sources confirm the meeting did not go well (sources say Davis lost his temper). The part of the deal which is troubling has Calif. buying SCE's portion of the *power transmission grid* for \$2.76 billion. Without PG&E's part of the grid, it's like doing a jigsaw puzzle without all the pieces...

...But this doesn't mean that Davis is leaning away from Calif. going in the public power business. Far from it. On April 16th Davis named LADWP chief David Freeman to lead the governor's "20/20" \$850-million energy conservation program. Freeman, who has been advising Davis on energy policy for months, wouldn't be taking this job if this was all there was too it. Sources predict he'll eventually be named as Calif.'s Energy Czar. He's a big advocate of public power and has the experience to run a CA Public Power Authority, when it's finally set up. Freeman's best known quote about Davis: "Davis must act like FDR or he'll end up like Hoover."...

...And while Freeman isn't keen on seizing power plants from generating companies who won't negotiate reasonable prices for electricity, he doesn't have a problem with Calif. building power plants or putting a windfall profits tax on power generators. This may put Freeman into a conflict with Demo Senate PPT John Burton and CA State Treasurer Phil Angelides. In an April 16th interview in the Sacto

BEE, Angelides said, "We ought to levy an excess profit tax, and if they (the power generators) don't take their foot off our throat, seize a plant or two to sober them up." Ditto Burton...

...FYI: In March, the PUC changed their accounting procedures at the behest of consumer groups. It's all very complex, but the bottomline is that because of this change, PG&E and SCE can't collect a combined \$9 billion from ratepayers. This accounting change is one of the reasons which PG&E cited for going into Chpt. 11. As part of the SCE/Davis deal, sources say this accounting change is partially undone - and SCE has made this non-negotiable. Will this cause the consumer groups to go ballistic on Davis??? Too early to tell because it involves very complex legal issues. Stay tuned...

CAMPAIGN 2002: LARGE FIELD OF DEMOS RUNNING FOR CA SECRETARY OF STATE. ONLY ONE GOPer..

Editor's note: Normally down-ballot statewide races don't get all that much attention. However, in 2002 the battle for Calif Secretary of State promises to be anything but dull and features a growing cast of fairly well-known candidates, at least on the Demo side. Here's our update & analysis...

...The mix of five different Demos all seeking to replace *termed out* incumbent Bill Jones(R) is generating lots of talk and some excitement, which is highly unusual for such a normally low-profile office. But when you've got candidates such as former CA Sec. of State March Fong Eu; former Insurance Commissioner John Garamendi; the 1998 Demo nominee Michela Alioto; Demo Assembly Majority Leader Kevin Shelley; and Demo Assembly Caucus Chairman Tony Cardenas - all battling to win on Mar. 5, 2002, one can see why there would be excitement...

...Eu just turned 79 this past March and served as SOS for 4 terms, thus to older Calif. Demos she's still got some solid residual name ID. Eu has hired her long-time consultant Leo McElroy to guide the campaign and her ex-chief deputy, Tony Miller, is aboard the campaign as treasurer. Miller, of course, tried to succeed his boss back in 1994, but narrowly

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lost to Jones. The big question surrounding Eu is whether she's really got the fire and whether she can raise the funds to be competitive. Euin2002@aol.com...

...The 55-year-old Garamendi is still testing the waters and our sources aren't sure he'll end up in this race. He spent the past several years in DC working in the Clinton Admin. And while he has a certain amount of name ID, does he still have a base and can he raise a warchest? These are questions which are still unanswered...

...Alioto, with that great political name, is now married and is expecting a baby in July. She married political consultant Tom Pier, who worked on both her campaigns. In '98, she came within 80,000 votes of beating Jones. Alioto is still in the hunt for a consultant, but savvy fundraising pro Charley Dobbs is aboard the campaign. The big question about Alioto is her base: she won't be only woman and she'll have to fight for geographic bragging rights. Alioto's website is campaign@alioto2002.com...

...Shelley, like Alioto, comes from a well-known S.F. political family. His late father, Jack, was mayor of S.F. and already Shelley has a long list of Demo endorsers who are backing his SOS run. They include both U.S. Senators Boxer and DiFi, plus Senate PPT John Burton and U.S. Reps. Henry Waxman and Bob Matsui – to name a few. Shelley is due to make an official announcement May 11th in S.F. He's already hired Terris, Jaye & Barns as his general consultant. Chris Gruwell is handling fundraising and Shelley sources say he's amassed a warchest of \$800,000...

...Perhaps the most interesting of the five Demos is Cardenas. He doesn't have his rivals name ID, but he's well liked by many of the best known Calif. Indian gaming tribes and if they come through, he'll have a massive warchest. And he'll be the only Latino name on the ballot in this primary. He's a savvy campaigner and is just now talking to consultants...

...Watching the Demos struggle among themselves is the lone GOP candidate, former Victorville Assemblyman Keith Olberg. He's hired McNally Temple as his lead consultant and Calif. Capital Campaigns (read that as Joann Davis and Anne Dunsmore) are Olberg's fundraising consultants. He's raised about \$500,000 thus far. Two questions: will Olberg be the only serious GOPER to look at SOS and what will it take for him to become better known outside his Inland Empire base??? Stay tuned...

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CAMPAIGN 2001: UPDATE ON THE 49th AD SPECIAL.

Editor's note: Just a very brief update on the 49th AD special election to replace Gloria Romero. The special primary will be held May 15th, with a July 10th runoff if no candidate gets a majority in the primary. Here's our update...

...There are only 4 candidates running to replace Romero: Monterey Park Councilwoman Judy Chu(D); Alhambra Councilman Dan Arguello(D); Alhambra School Board member Bob Miranda(D); and Mr. Kim Goldsworthy (Libertarian). There is no GOP candidate...

...Of the Demos, Chu is now considered the frontrunner over Arguello, although both have been endorsed by Romero. On April 12, Chu became the officially endorsed candidate of the CA Demo Party. She won that endorsement getting 58 votes to Arguello's 36. Interestingly, Romero was at the gathering and urged delegates to vote "no endorsement." Chu also won the support of the Alhambra Demo Club and the Eastside Demo Club – both noted for providing strong field ops in local elections...

...But in specials, it's *money* which counts and here too Chu has a substantial lead over Arguello. Chu's cash on hand is \$97,316 vs. \$2,197 for Arguello. Chu loaned herself \$50,000. FYI: Although she hasn't officially endorsed in this contest, U.S. Rep. Hilda Solis (D) is hosting a big Sacramento fundraiser for Chu at Brannan's on April 23rd. Stay tuned...

END OF AN ERA IN L.A. CITY POLITICS AS CANCER TAKE POPULAR COUNCIL PRES. JOHN FERRARO.

Editor's note: John Ferraro, the long serving president of the L.A. City Council, died April 17th after a 2-year battle with cancer. He was 76. Here's a brief report and commentary about Ferraro...

...As one of Ferraro's good friends said upon hearing of his death, "Part of L.A. has died today." Ferraro was an L.A. City Police Commissioner from 1953-66 and was appointed to his 4th District Council job by Mayor Sam Yorty in 1966, replacing the late Harold Henry. In 1967 he ran for election on his own and had been returned to office ever since. He wasn't much of a public speaker, but he was giant in the backrooms of city hall, brokering deals of importance, such as getting Daryl Gates to step down as police chief in 1991 (after the Rodney King incident). He was a key player in bringing the Olympic Games to L.A. in 1984. And yes, for those who may have forgotten, the L.A. Coliseum was familiar turf to this 6-foot-5 two-time All American tackle at USC (1944 & 1947)...

...Politically, Ferraro was a conservative Demo and although he worked with L.A. Mayor Tom Bradley over the years, he never had a warm relationship with Bradley. In 1985 he ran against Bradley. But Ferraro was well liked by his council colleagues because he never tried to steal headlines. His relationship with current Mayor Richard Riordan was rocky – especially when the two tangled over L.A. City Charter Reform. Ferraro was originally in favor of reform, but then became an opponent...

...Ferraro can't be replaced – team players like him only come around once every 50 years or so. And given term limits, there will never be another John Ferraro. R.I.P...

...Ferraro's term runs until 2003. Under the new charter, the council can either name a successor or call a special. Since Ferraro's terminal condition was open secret, there has been a long list of possible candidates for some time. The list includes former State Sen. David Roberti(D); outgoing L.A. Community College Trustee Beth Garfield; former Ferraro and Riordan deputy Tom LaBonge; L.A. Dep. Mayor Kelly Martin; former L.A. Dep. Mayor Robin Kramer; current Ferraro aide Susan Yackley; and perhaps attorney David Lehar, who heads the Anti-Defamation League in L.A. Don't include former Assemblyman Wally Knox(D) on your list. He's married to Beth Garfield and she's the one in the family who will run this time. Ferraro's 4th District goes Mid-Wilshire to the Valley. Stay tuned...

32nd CD UPDATE: WATSON VS. IRWIN HENTSCHEL

Editor's note: Now that the dust has settled in the 32nd CD special primary, will Demo frontrunner Diane Watson disappear *a la Elihu Harris* or will she really campaign hard to win the June 5th runoff with GOP businesswoman Noel Irwin Hentschel? Here's our update & analysis...

...Watson was the top vote getter in the April 10th primary, receiving 27,600 votes or 32.8%. The conventional wisdom in this special to replace the late Julian Dixon(D) has always been that the Demo winner was a *slam dunk* to win the runoff. But remember the case of former Oakland Mayor Eli Harris. In February of 1999, Harris won a very tough Demo primary in the 16th AD, but lost the Mar. 30th runoff against Green Party candidate Audie Bock in one of the biggest upsets in Calif. history. Harris thought he was a slam dunk because of registration and failed to campaign...

...Could the same thing happen in the 32nd CD? Very doubtful, but not totally impossible. Irwin Hentschel finished the primary in 4th place with 5.33% or 4,479 votes. The key differences between then and now: 1) Watson's team is well aware of the *Elihu fiasco* of '99 and will be

on guard; 2) the Watson team, while scaling back in some areas, will nevertheless run an aggressive and well-funded runoff campaign, including an absentee ballot program; 3) Demo turnout in the 32nd CD will be solid because it will overlap with the L.A. City runoff election on the same day; and 4) Demo registration is 70% in this CD...

...What would Irwin Hentschel have to do to pull an upset over Watson? Split the Demo voting bloc. There's already tensions in South Central between Blacks and a growing Latino population. If Irwin Hentschel were able to build a coalition of GOPers, whites from Culver City + Latinos and Asians, she might have a shot...

...FYI: the Irwin Hentschel campaign has hired KNBC-TV reporter Ana Garcia as campaign communications director. Sean Walsh remains at the campaign with that same job title. Jerryd Gonzales remains as political director. Stay tuned...

L.A. CITY PRIMARY ELECTON: WINNERS & LOSERS.

Editor's note: And now, for what it's worth, here's one of your favorite columns: *Calpeek's Winners & Losers* – all about the recently concluded L.A. City primary election, held April 10th. So sit back, relax, scream or weep...

● ***Biggest Loser*** – L.A. Mayor Richard Riordan. Not only did his guy Steve Soboroff finish out of the money, but so did Laurette Healey, Riordan's hand-picked candidate to battle L.A. City Controll-elect Laura Chick...

● ***Big Winner*** – Organized labor comes out a winner because regardless of who wins the mayor's job, Jim Hahn or Antonio Villaraigosa, both are pro-labor...

● ***Worst TV ads*** – 3-way tie: the 1st ads for Villaraigosa and Joel Wachs; and the last ad for Kathleen Connell...

● ***Worst Campaign Award*** – To L.A. Councilman Joel Wachs. Can't blame the pros who were involved because they tried, but Wachs wouldn't listen – just like 1993...

● ***Best TV ad*** – L.A. City atty. candidate Rocky Delgadillo's consultant David Axelrod produced a great spot featuring Magic Johnson...

● ***Best Campaign Theme*** – Villaraigosa: *Straight from the Heart of L.A.* Very classy...

● ***Best Under-Publicized Campaign*** – Laura Chick for L.A. City Controller. Hardly any publicity at all...

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● *Plop Plop, Fizz Fizz Award* - to Controller Kathleen Connell. She started too late and never had a base of support...

● *Lots of Fire, No Heat Award* – To L.A. Council candidates Scott Wildman (13th CD); Steve Saltzman (5th CD); and Woody Fleming (9th CD)...

● *Woo vs. Who Award* – The “who” is newcomer Eric Garcetti, son of former L.A. Co. DA Gil Garcetti. Not only is Garcetti in a runoff with former Councilman Mike Woo, he finished ahead of Woo...

● *Monster Mail Award* – To YES on Prop. A – the \$1.2 billion school bond measure for L.A. Community Colleges...

● *Best Idea in the Primary* – From U.S. Rep. Xavier Becerra --- to give library cards to all 1st graders. Stay tuned...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● Assembly Speaker Bob Hertzberg has appointed Lucie Bava to the CA Comm. on the Status of Women. Bava is the coordinator of *Women For*...

● Gov. Davis is losing his communications director. Phil Trounstine will be leaving the administration at the end of the month. No future plans announced and no replacement named as yet for Trounstine, who was the political editor of the *San Jose Mercury News* before joining Davis in '98...

● GOP Senate Leader Jim Brulte is losing his press secretary. Dan Nelson will be heading to DC as a deputy press secretary at the U.S. Dept. of Justice...

● Huntington Park Councilwoman Rosario Marin has been appointed U.S. Treasurer by Pres. Bush. She's been on the council since 1994...

CAMPAIGN 2002: CALIFORNIA INITIATIVE UPDATE.

Editor's note: More new initiatives have entered circulation. Here's a brief update...

◆ *Juvenile Court. Dependency Hearings* is the official title of an initiative statute sponsored by the Coalition to Preserve Families and Klout for Kids. This statute allows jury trials on allegations of abuse or neglect in juvenile dependency hearings. 419,260 signatures required. Deadline: Aug. 27th. For info (916)444-8080...

◆ *Legalized Casino Gambling. Pilot Program* is the official title of this constitutional amendment by Robert W. Wilson (323)878-0535. This initiative amends the CA Constitution to legalize Las Vegas-styled gambling for the next 28 years in 12 cities, including San Jose and Fresno. Wilson must collect 670,816 signatures by Aug. 27th...

● *Race, Ethnicity, Color or National Origin Classification* is the official title of this constitutional amendment sponsored by M. Royce Van Tassell and Kevin Nguyen of the Amer. Civil Rights Coalition (916)444-2278. If approved, effective Jan. 1, 2005, this initiative bans the state and local government from using race, ethnicity, color or national origin to classify current or prospective students, contractors or employees in public education, contracting or employment operations. Proponents have until Aug. 31 to gather 670,816 signatures...

◆ *Reapportionment* is the official title of this constitutional amendment sponsored by Ted Costa of Sacto (916)482-6175. This requires that the CA Judicial Council appoint a 3-member panel of retired U.S. and Calif. judges who would draw the new congressional and legislative district lines. Costa has until Sept. 7 to collect 670,816 valid signatures...

◆ *Beginning of Life. Definition* is the official title of this statute by Antonio Camcam (213)576-7652. Camcam's statute amends CA civil code to state that a child conceived, but not yet born, has life because life begins at conception. 419,260 signatures are needed by Aug. 20th...

◆ *Affordable Housing Communities. Internet Programs* is the official title of this statute by Gerald Chernick of L.A. (323)953-9210. Requires the Dept. of Housing to establish and maintain an internet website, computer programs and database to help in the development of and marketing of affordable housing. Chernick has until Sept. 14th to collect 419,260 valid signatures...

◆ *Monorail Systems. Development and Testing* is the official title of this statute by Gerald Chernick of L.A. (323)953-9210. Requires Dept. of Transportation to develop 10 standardized elevated dual-track monorail systems with money appropriated by the CA Legislature. Chernick has until Sept. 14th to collect 419,260 valid signatures...

CALPEEK'S EASY REFERENCE GUIDE NEXT WEEK

Assuming the world doesn't come to an end next week, Calpeek plans to publish its 2001 Easy Reference Guide. Since there's nothing in the Guide which is protected by copyright, please feel free to make copies of the Guide and mail them to your associates, friends and clients...

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